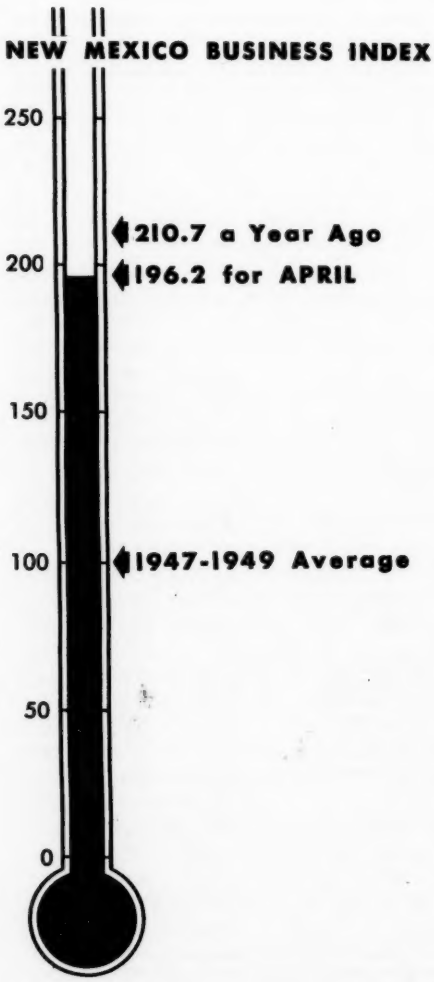
JUNE 1956

New Mexico BUSINESS



Business took a breather

this spring, and appears to be entering the summer on the fairly high plateau of prosperity achieved in 1955.

Our statistics on Page 2 show a slight post-Easter slump in business activity, but employment is up and consumer spending continues as merrily as ever. Our over-all Index of Business Activity in New Mexico slipped down to 196.2 in April, a 3.2 per cent dip from March. The drop was mainly due to declines in wholesale sales and transportation and utility sales, both weakened by seasonal factors. The ever-erratic sales of manufacturers also slumped.

April 1956 was 6.9 per cent below the April of last year, but that particular month of 1955 hit a near-record high. It included Easter and the dazzling surge of new car sales. This year's decline in building permits and farm prices is quite evident in a comparison of the two Aprils.

Bank debits and loans gained slightly in April and somewhat more emphatically in

(continued on Page 2)

The COMMUNITY JOB in Industrial Development

(continued from front page)

May. Employment gained from month to month this spring, but construction jobs keep on declining and were 10 per cent below last year's levels in May. Road-building jobs are expected to increase later this year, but this will be of little comfort to the skilled building trades if home construction continues to slide.

A close study of the index figures on this page reveals a number of interesting trends. Petroleum production started to decline in April because of a seasonal cut in the oil allowable. Metallics showed some declines, possibly because April had fewer working days than March. Electric power output gained slightly as a result of the irrigation season.

Our figures still do not include new and used car sales. We will provide suitable adjustments in our spring indexes as soon as the Bureau of Revenue's Motor Vehicles Division can resume reporting these sales figures on a regular monthly basis.

Here's how MAY looked in the early indexes:

	May Index (1947-49 mo. av. = 100)	Per Cent Change May 1956 From April 1956	Per Cent Change May 1956 From May 1955
Bank Debits	217.8	+ 2.8	+ 10.4
Bank Loans & Discounts	196.1	+ 2.7	+ 18.8
Demand Deposits	160.0	+ 2.0	+ 1.9
Time Deposits	241.9	+ 0.4	+ 14.8
Building Permits - Total	205.5	- 2.8	- 30.6
Residential	155.8	- 11.6	- 53.9
Non-Residential	289.5	+ 2.0	+ 27.8
Postal Receipts	212.5	+ 0.6	+ 9.5
All Farm Prices	82.8	- 0.4	- 6.2
Livestock Prices	84.2	- 0.5	- 5.0
Crop Prices	85.7	- 0.9	- 9.2

How did your district fare in MAY?

District	1	2	3	4	5	6	7	8	9
May 1956 Compared with April 1956									
Bank Debits	+ 0.1	- 2.5	+ 4.5	+ 3.6	+ 5.1	- 1.8	+ 8.8	+ 6.8	+ 3.5
Loans and Discounts	- 4.0	- 14.2	+ 24.6	+ 1.1	+ 25.1	+ 29.4	+ 15.5	+ 7.3	+ 3.2
Demand Deposits	+ 2.1	+ 12.7	+ 1.7	- 0.2	+ 0.8	- 3.1	+ 0.4	+ 1.0	- 0.8
Time Deposits	- 0.1	+ 0.5	- 2.3	+ 1.1	- 6.3	+ 0.1	- 0.5	+ 3.1	+ 0.8
Postal Receipts	+ 0.4	- 5.2	+ 5.1	+ 3.2	- 18.8	+ 3.3	+ 3.1	+ 6.9	- 4.0
May 1956 Compared with May 1955									
Bank Debits	+ 21.7	+ 4.0	+ 0.5	+ 13.3	+ 5.9	+ 2.0	+ 19.8	+ 15.0	+ 5.0
Loans and Discounts	+ 11.4	+ 66.1	+ 26.6	+ 21.0	- 6.1	+ 13.4	+ 12.3	+ 24.9	+ 0.4
Demand Deposits	+ 6.8	+ 18.4	- 0.2	- 2.6	- 15.2	- 4.5	+ 4.0	+ 6.4	- 2.4
Time Deposits	+ 18.3	+ 21.0	+ 4.6	+ 6.8	+ 19.5	+ 27.9	+ 6.9	+131.0	+ 26.3
Postal Receipts	+ 11.0	- 0.3	+ 5.5	+ 14.4	- 11.1	+ 4.7	+ 2.3	+ 21.0	+ 2.9

Here's the complete roundup of APRIL indexes:

	April Index (1947-49 mo. av. = 100)	Per Cent Change April 1956 From March 1956	Per Cent Change April 1956 From April 1955
Index of Business Activity	196.2	- 3.2	- 6.9
Sales of Retail Stores	178.2	+ 1.5	+ 5.8
Apparel Stores	119.9	- 16.7	- 14.2
Automotive Dealers	na	na	na
Subsistence Stores	164.4	+ 6.4	- 3.6
Furniture & Appliances	269.1	- 5.7	+ 57.7
Building Materials Dealers	168.2	+ 21.7	+ 14.8
Other Retail Stores	186.5	+ 3.5	+ 5.6
Amusement Sales	97.0	+ 6.6	- 33.3
Service Sales	222.2	+ 0.2	+ 2.9
Contractors' Sales	285.9	+ 16.9	- 8.8
Wholesale Sales	119.9	- 7.3	- 8.9
Public Utility Sales	164.4	- 14.8	- 18.0
Manufacturers' Sales	248.5	- 15.3	- 26.4
Life Insurance Sales	410.6	- 3.4	+ 19.9
Bank Debits	211.9r	+ 0.4r	+ 8.8r
Bank Loans & Discounts	190.9	+ 3.6	+ 15.7
Demand Deposits	156.9	+ 1.6	+ 2.0
Time Deposits	240.9	- 0.3	+ 16.1
Business Failure Liabilities	309.2	- 22.9	+ 63.1
Postal Receipts	211.2	- 5.8	+ 5.5

	April Index (1947-49 mo. av. = 100)	Per Cent Change April 1956 From March 1956	Per Cent Change April 1956 From April 1955
Wage Employment	140.1	+ 0.3	+ 3.7
Manufacturing	185.5	+ 1.7	+ 6.4
Mining	133.7	- 1.3	+ 6.2
Transportation & Utilities	126.6	+ 1.6	+ 5.6
Trade	139.0	- 0.7	+ 3.5
Finance	211.2	+ 3.3	+ 1.6
Services & Miscellaneous	106.2	0.0	+ 4.1
Government	165.8	- 0.2	+ 3.7
Contract Construction	111.6	+ 2.2	- 4.1
Building Permits - Total	211.4	+ 10.7	- 27.6
Residential	176.2	+ 18.1	- 18.5
Non-Residential	283.7	+ 4.1	- 47.5
Petroleum Production	186.2	- 5.9	+ 5.7
Electric Power Production	203.9	+ 1.8	+ 9.7
Metallics Production - Total	100.0	- 15.1	+ 22.2
Mine Production - Copper	113.5	- 18.4	+ 0.9
Mine Production - Lead	82.9	+ 1.2	+ 73.4
Mine Production - Zinc	82.7	- 10.7	+138.1
Mine Production - Potash	238.8	- 4.2	+ 9.7
All Farm Prices	83.1	+ 1.7	- 9.8
Livestock Prices	84.6	+ 2.4	- 10.3
Crop Prices	86.5	+ 0.9	- 8.0

[na] Not available

[r] Revised

Sources:
Retail Sales data: N. M. Bureau of Revenue
Potash Production: N. M. Bureau of Revenue
Petroleum Production: N. M. Bureau of Revenue
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Employment (all categories): N. M. Employment Security Commission
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Farm Prices: U. S. Agricultural Marketing Service
Bank data (all series), Postal Receipts, Building Permits: Bureau of Business Research
Business Failure Liabilities: Dun & Bradstreet, Inc.

The COMMUNITY JOB in Industrial Development

By Ralph L. Edgel *

ONE OF THE MOST POPULAR topics of community forums in recent years has been "Industrialization." Mostly such talk is concerned with how to get industry to move into the community. And much of this "how-to-get-em" talk is aimed at locational factors like raw materials, labor force, and markets, or deals with gimmicks and gadgets designed to entice outsiders to locate in the town.

But now, I want to take up a somewhat different side of industrial development; it might be called the community aspect. I have picked this subject for two reasons: first, it is frequently neglected in discussions of industrial development, and second, it is the phase of industrial development over which the community has most control and about which it can do the most in its campaign to attract industry. Incidentally, it is the phase of industrial development work which is most certain to yield benefits.

A town has little or no control over the locational factors of raw materials and markets. These matters are ordained by nature and the economic development of the nation. They are either available or they are not available. But communities--or their citizens--do control to a large degree the extent and quality of those elements which the industrial locator calls the "community factors"--the organization and the facilities of community life. Whether the community factors are good or poor--attractive or unattractive to industry--depends almost entirely upon what the community and its citizens do about them. And if something is done about them--if the town's organization and facilities are improved and made attractive to industry--all of the citizens will benefit.

That is why I say that working on community aspects of industrial development is the most certain way of reaping benefits: because the benefits are realized regardless of whether new industry is induced to move in.

WHAT INDUSTRY LOOKS FOR

Getting and holding new industry, whether from outside or from home-grown sources, involves much more than high-powered selling. Industrialists have found out--by bitter experience in too many instances--that it takes more than raw materials and markets to make a good location. In this era of high living standards, employes are insisting more and more upon locations in which they can lead the "good life", and in view of rising labor costs, management is interested in doing what it can to make employes happy. Consequently, those who are responsible for choosing locations are increasingly giving careful scrutiny to the community factors.

One of the things they want to know is, "What kind of people are we going to have to live with?" The locator wants to know about the level of education of the inhabitants, their ability to do industrial jobs or their ability and willingness to

learn industrial techniques and live in an industrial environment. He wants to know about the attitudes of the people toward industry and the new people, new things, and changes which an industry brings and without which progress is impossible. He assesses the population partly in terms of the appearance of the town--the yards, the city hall, the streets, the public buildings, and the other elements that go to make up the community's general appearance.

The character of the people is reflected in the kind of municipal and state government they provide for themselves. One of the most obvious measures of good government is the competence of its fiscal management. Another is the general

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*This talk was given at the Conference on "What Is Wrong with the Economy of Northeastern New Mexico," held on Highlands University campus, Las Vegas, June 20-22. Mr. Edgel is director of the Bureau of Business Research and research director for the New Mexico Economic Development Commission.

temper of its laws and ordinances and the way they are enforced. What he is looking for, if we may believe the large volume of testimony of recent years, is "alert, understanding, clean, progressive, and businesslike government."

But the most apparent measures of the quality of a community are its facilities. Does it have adequate health and sanitation facilities? How many doctors are available? Does it have adequate hospital space and equipment? What sort of sewage disposal system does it have, what is its capacity, and can it be expanded? Are the streets surfaced, curbed, well-lighted, and well-maintained? Are the police and fire departments well-directed and adequately-staffed?

Are the salaries paid sufficient to attract good personnel? Do they have equipment adequate to provide reasonable protection?

Does the community have a sufficient number of school-rooms and teachers? Are the salaries high enough to attract and keep good teachers and administrators? What is the extent of the public library facilities and are they used? Does the community provide a range of cultural and community activities and places of congregation in which such activities may be conducted? Are there opportunities for indoor and outdoor recreation, and are they adequate to meet the needs

of the population? Is adequate housing available?

In many instances, the kind of answers the industrial investigator gets to these questions determines his entire attitude toward a place. Therefore, it is important to insure that he gets the right sort of answers. And it is important to note that the community itself can determine what kind of answers the investigator would find.

Consequently it is extremely important that every town that wants industrial development review the kind of answers that an investigator would get and take immediate steps to provide the facilities which would make the town attractive to industry.

Industrialists are equally interested in another group of resources--we may call them industrial facilities or utilities--over which the community has somewhat less control, but about which citizens should be equally concerned. These are the facilities used directly by industry in producing goods and services--telephone service, water, gas, electricity, transportation, and the like. Site-seekers ask very pointed questions about the availability of such facilities, and they want very specific answers.

The tendency in New Mexico in the past has been to give answers which, to the industrialist at least, are quite unsatisfactory. They often run something like: "We can provide unlimited quantities." Besides being patently ridiculous (no place can provide unlimited quantities of anything), they provide the industrial locator with nothing specific which he can relate to the requirements of his own establishment. Frequently, too, the prospective operator is expected to round up these facilities himself, even when they are available in satisfactory quantities. This means uncertainty and involves delay.

A number of cities in the United States have solved this problem of location by providing planned industrial districts, and in so doing they have given themselves one of the greatest advantages in attracting industries that has yet been devised in the competitive struggle to attract industry. The planned industrial district consists not alone of a zoned area for industrial building. It offers much else in addition, including graded sites and the availability at each site of water lines, gas lines, power lines, sewer lines, rail sidings, truck terminals, and the whole complex of services needed by all industrial projects.

It is easy to understand why prospective industrialists find such arrangements attractive and why the communities which have established industrial districts have had considerable success in attracting industry. Any town with industrial aspirations should investigate the possibilities of establishing a planned industrial district.

You may have noticed that I have not included taxes among the items I have mentioned so far. That omission has been deliberate because I wanted to give special attention to this frequently over-rated factor. Taxes are an important consideration in many decisions involving location. It is natural that they should be, because they are a cost of doing business. But it should be emphasized that they are not as important in most

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situations as costs of labor, transportations, raw materials, and a number of other items.

Moreover, they are not as important as other community considerations that may be closely related to taxes, particularly the quality of community services and facilities which the taxes support. The consensus of most industrialists seeking location nowadays seems to be that they want a tax situation in which the tax burden is distributed equitably and in which they and the rest of the citizens receive services and facilities commensurate with the taxes they pay.

In other words, the question of taxes is largely resolved in terms of the extent and quality of community facilities. Most businesses want to locate where the community facilities are good, and they expect to pay their fair share of the cost of maintaining and operating those facilities.

WHAT A COMMUNITY SHOULD EXPECT

From what I have said so far it may seem that the process of industrial location is a purely one-sided affair in which the community completely subjects itself to the wishes of the prospective industry. This is not true--or at least it should not be true. Every community seeking industrial expansion is doing so with the objective of improving its lot and the lot of its citizens. The mere enticement of an industry may not accomplish this purpose, and it may also bring with it serious disadvantages which far outweigh the increased payroll and expanded tax base.

Consequently, communities should know what they are looking for in an industry, and they should go to great pains to select prospective industries with those qualities which meet their requirements.

Foremost among all requirements should be a willingness on the part of an industry to bear its fair share of the costs of maintaining community facilities at a level adequate to meet the needs of all the citizens. In order to bear its share of community costs, the concern should be so situated that it has a reasonable chance of success. This means that a town has the responsibility to avoid enticing industries that are neither economically justifiable nor feasible in their locality. It also means that communities should beware of concerns that insist upon abatement of the taxes borne by others. In some instances in which new establishments have obtained temporary relief from taxes, they have later prospered and grown to assume their fair share of the tax burden, but the usual experience has been that a concern that is nurtured on tax abatement can never be weaned of special favors. Frequently it fails despite such a spoon-fed diet.

Prospective concerns often insist that the town in which they locate shall be progressive. It is only reasonable that the community should insist that the industry and its management shall also be progressive.

Communities should also be very conscious of the wastes produced by many factory establishments. While it is unreasonable to insist that only those who produce no industrial wastes be admitted to the community, it is only reasonable to require those that do produce wastes to make adequate provision for disposing of their wastes in a manner which will not be detrimental to the community.

It is also reasonable to insist that prospective establishments have a record of good labor relations and they provide good working conditions. No community can expect to achieve progress at the expense of industrial strife. Neither can it hope to improve the well-being of its citizenry if it induces the establishment of a concern which provides undesirable working conditions, low wages, and industrial health hazards.

Other things being equal, the concern which is less subject to seasonal and cyclical fluctuations is much more desirable than the one whose employment fluctuates violently in response to every slight change in business conditions. Community developers should give preference to those establishments which have reasonable hope of providing stable employment. Moreover, they should

look for those who employ a large proportion of professional and technical workers, for their wages will tend to be higher and they will tend to attract a more desirable type of people to the community.

While the above-named factors are among the most important to be scrutinized, there are, of course, many other characteristics of the prospective industry which should be examined and weighed carefully by the community. Of course, it is unlikely that any town will find the "perfect" industry, one which has all desirable traits and none of the negative ones. Nevertheless, the community should examine the prospective firm just as carefully as the industry examines the community, because the association may (and should) be a long one involving heavy costs to the community just as it involves heavy investment on the part of the industry.

THE COMMUNITY INVESTMENT

It is to those community costs that I'd like to direct your attention for a few minutes. For every town that embarks on industrial development should be clearly aware that industrial development involves heavy costs. It should

also be aware that these costs may outweigh the benefits. And it must also recognize explicitly that only in the most unusual case can it expect the benefits to outweigh the costs unless it plans and prepares for industrial development. Largely this means getting the community house well in order by seeing to it that its facilities are adequate at least to present needs in all respects.

But the implications of initiating a program of industrial development go far beyond getting the house in order for present needs. The consequences of adding a new industry to a community are numerous and complex, and the overall impact is very difficult to anticipate or even to

measure after it has occurred. The extent of the impact will depend partially upon how many additional people are brought into the community. To the extent that the employment requirements can be met from the existing population, the problem of providing new homes, new schools, new civic facilities, and other requirements of an enlarged population are not great. But even without any increase in the population, the addition of a new establishment of any substantial size will impose additional burdens upon existing facilities.

But if the opening of a new operation brings additional people to the area, then the community may be faced with serious problems. It has been estimated on the basis of numerous case studies that an increase in industrial employment of 100 persons will add around 700 people to the population, will create a demand for 250 new homes, require school-room space and teachers for 200 additional children, put 200 more cars on the

streets, and bring in 20 professional people with needs for office space. The impact of such expansion upon such utilities as electricity, gas, telephone service, and public transportation can be, and usually is, serious.

With more than two additional automobiles put on the streets for each new basic employe, it is obvious that expenditures for street construction and maintenance, traffic control, and parking facilities will sharply increase. Rapid growth also requires expansion of the police and fire departments and other protective service. In fact, these services may need to be expanded, temporarily at least, even more rapidly than the rise in population. Rapid change is itself quite an unsettling factor that often necessitates greater vigilance to maintain order and safety than a stable population of the same size would require.

Assuming that a town has reasonably good schools, hospitals, parks, community centers, libraries, and playgrounds prior to the advent of new industry, the level of adequacy can be maintained under the impact of population growth only by a proportionate or greater rise in expenditures on these facilities. The whole educational, health, and cultural level of the community will decline if these obligations are not met. Yet expansion in these areas of public service is comparatively expensive.

Some costs cannot readily be expressed in terms of dollars, particularly those that may be expected to result if the community neglects to incur the expenditures for keeping its facilities abreast of expanding needs. Impaired utility services, inferior streets, overcrowded school systems, overworked health and recreational facilities, or inadequate protective services will result in sacrifices, inconveniences, and hazards for all citizens of the town.

There are other intangible costs which are not easily avoided by the expenditure of money. One

is the cost of the cyclical fluctuations of employment which are characteristic of much industrial activity. This is not to say that industrialization cannot bring increased stability to an underdeveloped community. It can, and frequently does bring increased stability, particularly if the incoming establishments represent a variety of products, markets, and types of operations. Nevertheless the inherent instability of a predominantly industrial economy should be borne in mind by the community that embarks upon a program of industrialization.

The in-migration of labor may create special problems of another sort. Areas which are relatively undeveloped industrially are typically characterized by congenial relations between workers and management. As the working force becomes more industrialized and self-conscious, a greater incidence of labor disputes may be expected to occur. This aspect of industrialization can be minimized, however, by devoting some community attention to the character of the labor force likely to be employed by a prospective concern and to the attitudes and policy of the management.

There are other non-dollar costs incident to industrial development. Noise, smoke, water pollution, dust or other nuisances are inevitably associated with some processes. Some of these

nuisances may be inevitably associated with industrial expansion, but care should be exercised to prevent them from becoming major community problems and from endangering other important aspects of the economy, such as tourist trade. The solution is to be found in intelligent selection of industries and careful community planning.

In outlining these problems associated with industrial development, I have no intention of disparaging new industry or of deprecating the many benefits it can confer. And I would be very disappointed if such costs were used as arguments by non-progressive groups to set up barriers to industrial development in any of our communities.

SOME CONCLUSIONS

The fact is that the impact of new industry can be enormously beneficial entirely aside from the increased payrolls and trade which it can generate. New economic activity and the influx of new people and new ideas often bring on awakened interest in civic affairs and in general social and environmental improvement. Many a backward community, subsisting complacently in a meager environment and tolerating grossly sub-standard community facilities, has been stimulated by the advent of new industry to widen its horizons and to achieve generally superior social and cultural surroundings. Thus, not only can there be better shops and goods but likewise better places of amusement, better streets, better schools and hospitals, and better government.

But it is extremely important that the costs be recognized and the impact of industrialization be prepared for. Otherwise the community may find itself caught in a "rat race" of problem-solving that will obscure indefinitely the benefits which it could otherwise enjoy in peace.

The conclusions to be drawn from this discussion, it would seem to me, are these:

1. Assess your community. Find out if it's the kind of town an industry would find attractive. Identify those aspects that need to be improved.

2. Get your house in order. Bring community services and facilities up to an acceptable standard. This requires concerted community effort and much hard work. It may require substantial sums of money and an increase in taxes. It may not be successful in attracting more industry. But without community improvement you have almost no hope of attracting new establishments, and even if you get no new industry by improving your community, you will have created a better place in which to live. And this was, after all, your original purpose.

3. Be selective in encouraging new industry. Try to get those which will have a reasonable chance for success in your locality and which will create a minimum of community problems.

4. Anticipate the impact of new industry and plan and develop your community facilities in an orderly fashion. This, too, means a lot of hard work and concerted effort. It is not a job you can assign to the Chamber of Commerce and then go off and leave it, hoping to come back six months later and find industrialization an accomplished fact. It is a job for everyone in the community and it is a job that goes on indefinitely, getting bigger and bigger as it becomes more successful.

All this leads to a final conclusion, and it's the most important of all. The benefits of industrial development can be had only at a substantial cost in money, time, and effort. You have very little chance of getting such development unless the vast majority of the members of your community want it enough to incur the costs and put forth the effort needed to make your town the kind of a place that you and industry want. It may well be that the $64,000 question is: Does your town want industrial development enough to work and pay for it?

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Past Issues of NEW MEXICO BUSINESS Are Available

Numerous requests are received for feature articles that have appeared in past issues of New Mexico Business. These are being indexed for publication in a future issue, but in the meantime here is a chronological list of the principal articles of the past two and a half years. Individual copies may be obtained for 50 cents each.

The Index of Business Activity in New Mexico: Carey (January 1954)
The Business Side of Art in New Mexico: Sears (January 1954)
Banking Mirrors Business: Edgel (July 1954)
Handicrafts and Small Industry: Sears (August 1954)
An Investment Survey of the Public Service Company of New Mexico: Evans (September 1954)
Our Tomato Supply: Urquhart (October 1954)
Navaho Spending Makes Gallup Prosperous: Sears (November 1954)
Machine Shops--New Small Businesses: Ximenes (November 1954)
Should We Revive the Economic Development Commission?: Edgel (December 1954)
Income Payments (January 1955)
Gas and Oil Developments (January 1955)
Review of Business in New Mexico in 1954 (February 1955)
Two Articles on Taxes (March 1955)
Do You Believe in Competition? (April 1955)
Land Values and Farm Income (May 1955)
Behind Your Hospital Bill: Sears (June 1955)
Potash for Growth: Napier (July 1955)
Sandoval County: Ximenes (in our Business Backgrounds series issued as a special supplement to the July 1955 issue)
New Mexico Business Rebounds: Edgel (August 1955)
Farm and Retail Prices: Goode (September 1955)
Highlights of the Farm Census: Ximenes (October 1955)
New Mexico Air Commerce Keeps Rising: Ximenes (November 1955)
Electronics--A Natural for New Mexico: Fremont Kutnewsky (December 1955)
Personal Income in New Mexico: Ximenes (January 1956)
Review of Business in New Mexico in 1955 (February 1956)
San Juan Arrives as an Oil Province: Napier (April 1956)
Natural Gas Liquids in New Mexico: Napier (April 1956)
Another Decline in Crops is Indicated: Napier (May 1956)
Drop in Cotton Crop May Exceed Million Dollars: John O. Kling (May 1956)
The Community Job in Industrial Development: Edgel (June 1956)

STUDIES IN BUSINESS & ECONOMICS Also Available

Some of this Bureau's major projects are published in the Studies in Business and Economics series. The first one is out of print and is listed for purposes of record. The others are still available for the prices marked, postpaid.

1. Wollman and Edgel: Patterns of New Mexico State Finance, 1950 (out of print)
2. Finston: Multipump Filling Stations, An Economic Appraisal, 1954, 68 pp., $1.25 per copy
3. Ximenes: Natural Gas in New Mexico, 1954, 73 pp., $1.25 per copy
4. Ximenes: Income by Counties in New Mexico, 1956, 48 pp., $2.00 per copy

BUSINESS INFORMATION SERIES Publications on Hand

Publications in the Business Information Series are available as the supply lasts. They are free, except where otherwise noted. Here are the issues of the past few years:

18. Population of New Mexico Counties and Cities (September 1951)
19. Occupational Wage Survey of Albuquerque, New Mexico--November 1951: Edgel and Maglidt (February 1952) 50 cents per copy
20. The Business Venture in New Mexico: Evans and Huber (1952) $2.00 per copy
21. Twenty Selected Indicators of Business Activity in New Mexico (July 1952)
22. Some Cold Facts for Welfare Workers in New Mexico (June 1953)
23. Population Estimates for New Mexico Counties--1953 (February 1954)
24. Wages in the Construction Industry of New Mexico: Ximenes (September 1954)
25. Population of New Mexico Counties--1954 (December 1954)
26. Consumer Cooperation in New Mexico: Hamilton (January 1955) 50 cents per copy
27. Albuquerque Census Tract Street Index (June 1955) $1.00 per copy
28. Population of New Mexico Counties--1955 (November 1955)
29. State Taxes in New Mexico: Ximenes (March 1956) 25 cents per copy
30. Labor Force and Employment in New Mexico Counties--1950 and 1955: Goode (May 1956)

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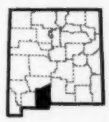
ADDRESS.....

CITY AND STATE.....



Dona Ana

Dona Ana county has more sources of income than most of the non-industrialized areas of New Mexico. This diversification results in a fairly stable economy. Per capita income is about equal to the state's average.

Although Dona Ana is generally regarded as an agricultural county, business proprietors and property owners receive as much income as farm proprietors. Wages paid to government workers bulk larger than the combined incomes of all farmers and agricultural workers in the county. These comparisons, however, do not mean that Dona Ana's farmers receive low incomes. On the contrary, Dona Ana's 1,110 farm operators had an average net income of $8,480 in 1954. This rather high average net income per farm was largely due to profitable cotton-growing operations.

Government payments make up almost one third of the county's income. The large numbers of Dona Ana residents that work at nearby White Sands Proving Grounds accounts for the large federal payroll. New Mexico A & M College and its associated agricultural agencies result in a sizeable state payroll.

We must qualify one figure in the table below. Agricultural farm laborers received $5.6 million in wages in 1954 and we have allocated the whole amount to Dona Ana county. However, only a portion of this remained in the income flow of the area since the recipients were largely Mexican nationals who took some of their wages home to Mexico. There is no way of determining how much remained in the county.

Per capita incomes of Dona Ana residents are undoubtedly over-estimated since they are computed by dividing total personal income by the population of permanent residents only.

Personal Income by Source

WAGE AND SALARY PAYMENTS BY SOURCE
Dona Ana County, 1954
(in thousands)

	1954	Per Cent of Total
TOTAL	$36,771	100
Private Industry		
Trade	6,018	15.5
Manufacturing	2,086	5.3
Utilities	1,946	5.0
Services	1,701	4.4
Construction	3,089	8.0
Finance	903	2.3
Agriculture	5,371	14.4
Mining	21	0.1
Other	467	1.2
Government Payments		
Federal	11,804	29.9
State	4,861	12.6
Local	440	1.1

ESTIMATED INCOME PAYMENTS
TO INDIVIDUALS
Dona Ana County, 1954 & 1955
(in thousands)

	1954	1955
Wages & Salaries	$36,771	$40,382
Proprietor Income	14,868	15,799
Farm $8,491		na
Professional 688		na
Business 4,385		na
Property Income	4,818	5,045
Transfer Payments	9,753	3,679
Less: Contributions for Social Insurance	-614	-700
TOTAL	$60,396	$63,180

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New Carbon Black Plant

A new carbon black plant with a yearly capacity of 25 million pounds has been opened at Eunice, N. M., by the Continental Carbon Co.

It uses the furnace process for taking carbon out of natural gas, and will be the first of this type in New Mexico.

Other plants, built earlier in New Mexico, use the contact method, i. e., carbon black is produced by the contact of gas flames on a cool metallic surface. Generally speaking, the contact method yields about two pounds of carbon black per thousand cubic feet of gas and the furnace process gets about eight pounds per thousand.

Natural gas was first used for carbon black manufacture in New Mexico in 1946, according to the Bureau of Mines.

Five plants that operated during 1954 used 54,634,000 MCF of gas to produce 90,833,000 pounds of carbon for rubber and 14,227,000 pounds of carbon black for inks. Cabot Carbon Co., Columbian Carbon Co., Continental Carbon Co., and United Carbon Co. operated throughout the whole year and Witco Chemical Co. ceased operations after the first nine months of the year.

Cabot stopped operations at the beginning of 1955. The remaining plants use 49,242,000 MCF of gas and produced 69,151,000 pounds of carbon black for rubber and 23,043,000 pounds for inks.

Oil Drilling Increases

Drilling activity in New Mexico during the first 25 weeks of this year was up 20 per cent above the same period of last year. Here are the figures:

	1956	1955	Increase
Northwest	333	212	up 57 %
Southeast	548	520	up 5 %
TOTAL	881	520	up 20 %

Source: The Oil & Gas Journal

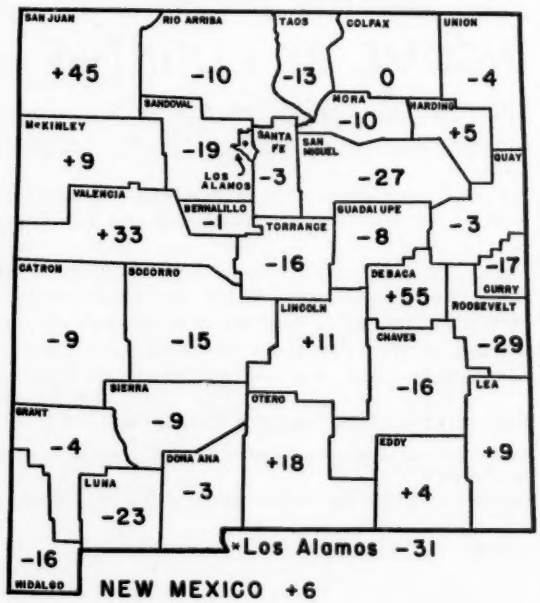
Drillers were encouraged to try a number of new and promising areas, and the success ratio of these wildcat wells was good:

	Oil	Dist.	Gas	Dry	Total
Northwest	2	0	5	22	29
Southeast	23	0	0	58	81
TOTAL	25	0	5	80	110

Source: The Oil & Gas Journal

RETAIL SALES: A Comparison

PER CENT CHANGE: April '56 from April '55



Retail Sales in New Mexico Counties - April 1956

(add 000's)

County	Apparel	*Automotive Accessories	Subsistence	Furniture & Appliances	Building Material	Other	Total
Bernalillo	$ 813	$ 2,689	$ 5,271	$2,847	$3,378	$ 6,471	$21,469
Catron	0	26	29	6	4	33	98
Chaves	155	745	1,106	217	402	1,392	4,017
Colfax	17	219	325	41	121	318	1,041
Curry	126	343	654	213	254	505	2,135
De Baca	0	47	134	4	40	171	396
Dona Ana	76	511	832	182	431	612	2,644
Eddy	137	701	1,212	480	397	2,263	5,190
Grant	42	317	434	139	55	440	1,427
Guadalupe	9	127	161	5	43	117	462
Harding	0	34	4	0	1	42	81
Hidalgo	5	97	134	27	39	104	406
Lea	203	1,147	1,197	336	474	4,401	7,758
Lincoln	4	92	144	33	79	142	494
Los Alamos	22	22	195	4	1	92	336
Luna	33	219	215	129	23	194	813
McKinley	35	334	744	131	118	578	1,940
Mora	1	28	15	0	8	57	109
Otero	80	286	571	216	256	494	1,903
Quay	32	238	291	60	134	155	910
Rio Arriba	20	160	203	38	28	309	758
Roosevelt	40	171	221	126	98	199	855
Sandoval	(a)	75	126	3	2	119	325
San Juan	66	905	751	157	406	1,605	3,890
San Miguel	29	197	279	48	71	281	905
Santa Fe	154	500	1,160	456	375	892	3,537
Sierra	4	98	162	18	26	124	432
Socorro	5	138	144	19	8	166	480
Taos	10	117	206	24	27	93	477
Torrance	10	119	42	18	22	98	309
Union	18	84	134	17	49	106	408
Valencia	37	267	325	112	303	513	1,557
Unallocated	192	377	1,529	738	483	4,202	7,521
Total	$2,375	$11,430	$18,950	$6,844	$8,196	$27,288	$75,083

(a) Less than $1,000.

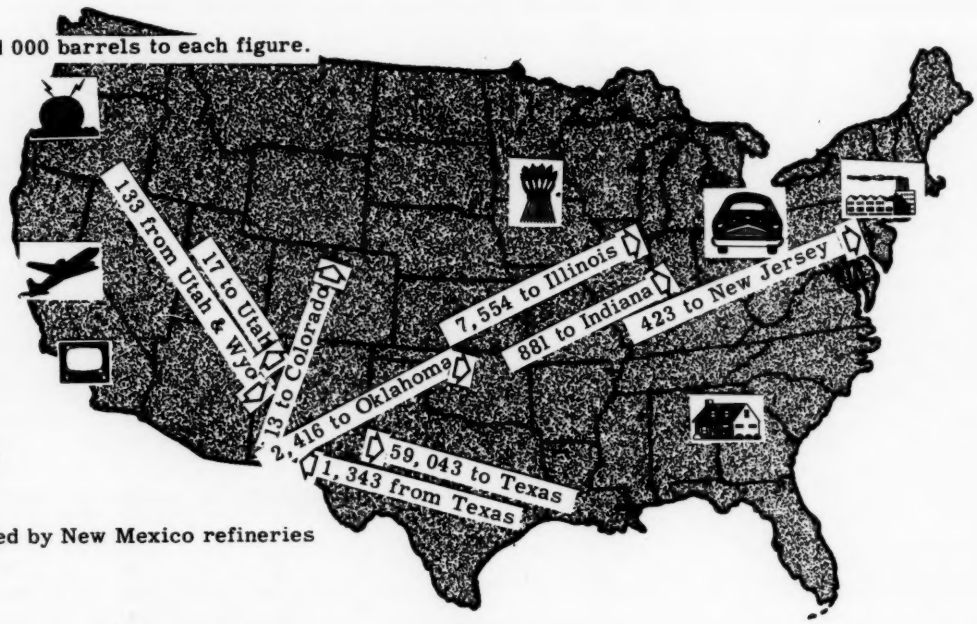
Source: School Tax Division, N. M. Bureau of Revenue.

*Automotive Accessories includes sales of filling stations, garages and repair shops, and accessories dealers. It is not comparable with figures prior to February 1956 which also included sales of car dealers (new and used) and trucks and tractors.

This map (on page 6) compares the above county totals with totals for the same months of 1955.
Note that new and used vehicle sales are omitted from both months in the comparison.

WHERE IS NEW MEXICO CRUDE OIL REFINED?

Note: Add 000 barrels to each figure.



1955

82,398
produced
in N. M.

7,750 used by New Mexico refineries

Source: U.S. Dept. of Interior Monthly Petroleum statements

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